

1301 K Street N.W.  
Suite 600, East Tower  
Washington, D.C. 20005  
202.408.6400  
202.408.6399 fax  
www.sonnenschein.com

L. John Osborn  
(202) 408-6351  
ljo@sonnenschein.com

May 7, 2002

By Hand

Hon. Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street, N.W., Room 714  
Washington, D.C. 20423-0001

RECORDATION NO. 23833-A

FILED

MAY 8 '02

10-57 AM



Dear Secretary Williams:

**SURFACE TRANSPORTATION BOARD**

Enclosed for recordation pursuant to the provisions of 49 U.S.C. §11301(a) are two (2) signed originals of a Memorandum of Security Agreement, dated as of April 26, 2002, which should be recorded as a *secondary* document under STB Recordation No. **23833**. (I believe, subject to check, that the next number is No. 23833-A).

The names and addresses of the parties to the enclosed document (and certain related documents) are:

Borrower: National Steel Car Limited/Wagon d'Acier National Limitée  
602 Kenilworth Avenue North  
Hamilton, Ontario L8N 3J4

Secured Parties: The Bank of Nova Scotia  
44 King Street West  
Toronto, Ontario M5H 1H1

Bank of Montreal  
First Canadian Place  
Toronto, Ontario M5X 1A1

A description of the railroad equipment covered by the enclosed document is as follows:

ALL PRESENT AND FUTURE PERSONAL PROPERTY OF THE  
BORROWER OF THE NATURE AND TYPE DESCRIBED IN SCHEDULE B  
TO THE GENERAL SECURITY AGREEMENT ENTERED INTO BY THE  
PARTIES, DATED AS OF DECEMBER 14, 2001

Hon. Vernon A. Williams, Secretary

May 7, 2002

Page 2

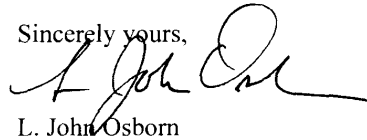
A short summary of the document to appear in the STB Index is as follows:

Memorandum of Security Agreement

As reflected in the equipment description provided above, this transaction *does* involve an AFTER-ACQUIRED EQUIPMENT clause, and we request that the STB's records so reflect. Also, please note that, even though such after-acquired equipment clause is a part of the General Security Agreement dated as of December 14, 2001, which was filed as a primary document under No. 23833, the STB's computerized records do not currently reflect the presence of an after-acquired equipment clause. ***We ask that the STB's records be corrected to fully reflect the presence of an after-acquired equipment clause in this primary document.***

Also enclosed is a check in the amount of \$30.00, payable to the order of the Surface Transportation Board, which covers the required recordation fee. Kindly return one stamped copy of the enclosed document to the undersigned.

Sincerely yours,



L. John Osborn

Enclosures

RECORDATION NO. 23833-A FILED

MAY 8 '02 10-57 AM

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF  
SECURITY AGREEMENT  
made by  
NATIONAL STEEL CAR LIMITED/WAGON D'ACIER NATIONAL LIMITÉE  
in favor of  
THE BANK OF NOVA SCOTIA  
And  
BANK OF MONTREAL

---

This MEMORANDUM OF SECURITY AGREEMENT, dated as of April 26, 2002, is made by NATIONAL STEEL CAR LIMITED/WAGON D'ACIER NATIONAL LIMITÉE, a corporation amalgamated under the laws of Canada (herein called the "Borrower"); THE BANK OF NOVA SCOTIA, a Canadian chartered bank (herein called "BNS"); and BANK OF MONTREAL, a Canadian chartered bank (herein called "BMO") (BNS and BMO collectively referred to herein as the "Banks").

WHEREAS, the Borrower and the Banks have entered into a certain General Security Agreement, dated as of December 14, 2001, as amended by that certain First Amendment to General Security Agreement (the "First Amendment"), dated as of March 18, 2002 (collectively the "Security Agreement"), under which the Borrower grants to the Banks a security interest in the Collateral as defined in the Security Agreement);

AND WHEREAS, the Collateral includes the railroad cars described in Schedule B to the Security Agreement, and ALL PRESENT AND FUTURE PERSONAL PROPERTY OF THE BORROWER OF THE NATURE AND TYPE DESCRIBED IN SCHEDULE B;

AND WHEREAS, the First Amendment amended the term Collateral to carve out certain securities, which did not affect the security interest granted to the Banks in railroad cars;

AND WHEREAS, the Borrower and the Banks, by executing this Memorandum and causing it to be recorded with the appropriate governmental authorities, desire to provide further public notice that the Security Agreement contains an after-acquired Collateral clause, and to provide public notice that such Agreement has been amended;

AND WHEREAS, this Memorandum may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one such Memorandum.

IN WITNESS WHEREOF, each of the undersigned pursuant to due corporate authority has caused this Memorandum of Security Agreement to be executed in its respective corporate name by an officer duly authorized, and hereby declares pursuant to 28 U.S.C. § 1746 under penalty of perjury that this Memorandum is a true and correct document and was executed as of the date herein first set forth above.

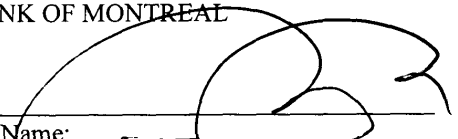
NATIONAL STEEL CAR LIMITED/WAGON D'ACIER NATIONAL LIMITÉE

By: Cecil Mosselman  
Name: Cecil Mosselman  
Title: corporate secretary

THE BANK OF NOVA SCOTIA

By:    
Name: **ERIC W. READ** **Rose M. Porter**  
Title: **DIRECTOR** **Associate Director**

BANK OF MONTREAL

By:   
Name: **Michael J. Solski**  
Title: **Director**

CORPORATE FORM OF ACKNOWLEDGMENT

Province of Ontario                    )  
  ) SS:  
City of Toronto                         )

On this 26<sup>th</sup> day of April, 2002, before me personally appeared Cecil Mosselman to me personally known, who being by me duly sworn, says that he is the Corporate Secretary of NATIONAL STEEL CAR LIMITED/WAGON D'ACIER NATIONAL LIMITÉE, that said instrument was signed on behalf of said corporation, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

C. Wollaston  
Signature of Notary Public

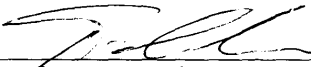
COLOMBA ANNE WOLLASTON, Notary Public,  
City of Hamilton-Wentworth, limited to the  
attestation of instruments and the taking of  
affidavits, for National Steel Car Limited.  
Expires April 15, 2004

Seal

CORPORATE FORM OF ACKNOWLEDGMENT

Province of Ontario            )  
  ) SS:  
City of Toronto                )

On this 3<sup>rd</sup> day of May, 2002, before me personally appeared Eric Read and Rose Porter, each to me personally known, who being by me duly sworn, says that they are, respectively, Director and Associate Director, Bank Finance of THE BANK OF NOVA SCOTIA, that said instrument was signed on behalf of said bank, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said bank.

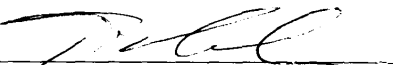
  
\_\_\_\_\_  
Signature of Notary Public

Seal

CORPORATE FORM OF ACKNOWLEDGMENT

Province of Ontario                    )  
  ) SS:  
City of Toronto                        )

On this 6<sup>th</sup> day of May, 2002, before me personally appeared Michael Solski to me personally known, who being by me duly sworn, says that he is a Director, Asset Portfolio Management of BANK OF MONTREAL, that said instrument was signed on behalf of said bank, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said bank.

  
\_\_\_\_\_  
Signature of Notary Public

Seal